

A House Group Plants Seeds Of Tax Reform

By KRISTINA RASMUSSEN | Posted Monday, March 26, 2007 4:30 PM PT

The start of spring heralds two important rites, and both require getting your hands dirty.

Millions of gardeners take advantage of the moist soil to plant the season's flowers; and, millions of taxpayers — horticulturally inclined or not — must leave the sunshine to burrow through dusty stacks of paper in hopes of filing their tax returns on time.

It's easy to ignore April's looming tax deadline in favor of the fresh air, but thanks to a group of dedicated members of Congress, taxpayers finally have something else to celebrate this spring other than the warm weather.

Last week, members of the Republican Study Committee, a blue-ribbon group of more than 100 fiscal conservatives in the House of Representatives, revealed a Taxpayer Bill of Rights package that could sow the seeds of comprehensive tax reform in 2007.

Essentially, the RSC's Taxpayer Bill of Rights rolls four solid principles into one broad commitment to enact policies that will protect taxpayers and nourish economic growth. Here's a rundown of what's contained in the Taxpayer Bill of Rights, along with a discussion of why they're necessary and how to carry them out.

- Taxpayers have a right to a federal government that does not grow beyond their ability to pay for it.

We've all heard the saying 'practice what you preach,' yet the federal government has racked up over \$8.8 trillion in debt even as Congress paradoxically passes resolutions calling on all Americans to study up on financial literacy.

One way to banish this hypocrisy would be to allow federal spending to grow only at the combined rate of inflation and population growth (which would account for rising prices and a burgeoning populace). More importantly, it would require leaders to prune unnecessary spending to make way for real priorities.

- Taxpayers have a right to get back every single dollar they entrust to the government for their retirement.

Unfortunately, big spenders in both political parties rely on the soon-to-disappear Social Security surplus to pay for today's spending habits. By some estimates, over the next five years Congress will use over \$423 billion taken in the name of Social Security for everyday appropriations. This has to stop.

Ending the raid on Social Security by putting up a firm fence dividing Social Security revenues from other revenues would give Congress less of an excuse to boost taxes to 'save' the program in the future.

- Taxpayers have a right to expect the government to balance the budget without having their taxes raised.

Congress has proved itself unable or unwilling to voluntarily check its desire to spend. Thanks to research recently released by the Heritage Foundation, we know that federal spending per household increased by more than \$8,000 between the administrations of JFK and George W. — even after accounting for inflation.

Forget gimmicks with deceptive names like 'paygo' — what taxpayers really need is a mechanism that would stop federal outlays from exceeding existing revenues except in times of war or a national security emergency. A strong Balanced Budget Amendment to the U.S. Constitution would serve this purpose.

- Taxpayers have a right to a simple, fair Tax Code that they can understand.

Anecdotal evidence of frustration abounds, but the fact over 63% of taxpayers rely on others to prepare their taxes speaks volumes about how the current code is trampling America's do-it-yourself tradition.

In 2006, the 1040 tax form plus commonly used schedules took the average taxpayer 37.8 hours to prepare — with the assistance of a computer. Even the so-called 'short' form took more than half a day (12.6 hours) to complete.

No one doubts that a good chunk of the cumulative 6.4 billion hours spent on IRS paperwork could be better used elsewhere. Putting an expiration date on the otherwise perpetual Tax Code would be one way to finally force Congress to come up with something better.

Granted, the possibility of turning the RSC's Taxpayer Bill of Rights into reality may seem as distant as raking those fall leaves. Even so, it is big ideas like these that would allow us to pursue favorite pastimes instead of wasting our spring days waiting in line at the tax preparer's office or hunched over our receipt boxes.

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